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Smuggling Activities between

Okinawa and Hong Kong

CENTRAL INTELLIGENCE AGENCY

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- In May 1951, from four to six commercial firms in Hong Kong were acting as agents for motor junks engaged in smuggling between Hong Kong and Okinawa. At least 70 junks operate on reasonably regular schedules, while 80 more occasionally make the trip. The vessels normally anchor at Aberdeen Island. Some of the ships carry radio transmitters and receivers. Some crows are native Okinawans and are forbidden to land in British territory; therefore, only the captain goes ashore to carry out the transaction.
- 2. Most of the trade originates in or near Nala, Okinawa. The cargoes are predominately metals, such as scrap and sheet iron, steel and copper. The cargoes are exchanged at Hong Kong for sugar, wheat, flour and other food stuffs. Individual shipments are valued from HK \$20,000 to HK \$30,000. A round-trip between Hong Kong and Okinawa generally takes from 15 to 20 days.
- 3. The Kuang Te () Company, 4 Queens Road, West, Hong Kong, represents 15 junk operators, for which it handles all customs and immigration procedures, loading, and unloading. For this service a fee of 10 percent of the value of both the import and export cargoes is charged.
- 4. In assessing the value of the cargoes, the agent generally puts a much lower evaluation on the goods than is actually obtainable on the Hong Kong market. This is possible because the smuggler is only in the colony a short time and his movements are controlled by the agent, who can prevent him from learning the true market conditions and prices.
- 5. The negotiations are necessarily carried on in the strictest secrecy. Identities of crews, vessels, and cargoes are kept in confidence as much from possible compatitors as from Hong Kong officials. It is difficult for any one firm in the Okinawa smuggling trade to identify positively any other company in Hong Kong which is also in the trade.

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